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CLEARINGHOUSE RULE 95-158

Comments

[NOTE: All citations to “Manual” in the comments below are to the Administrative Rules Procedures Manual, prepared by the Revisor of Statutes Bureau and the Legislative Council Staff, dated October 1994.]

2. Form, Style and Placement in Administrative Code

- a. In the “Pursuant to” clause prior to the text of the rule, “sections” should be “ss.” and “Wis. Stats.,” should be “Stats.,”.
- b. In s. SEC 2.01 (3) (e), first sentence, the two sets of parentheses should be deleted.
- c. In the treatment clause to SECTION 15, “, respectively” should be deleted.
- d. In s. SEC 2.027 (9) (b), page 16, line 8, “s.” should be inserted before “SEC 2.028.” This change needs to be made in a number of provisions of the rule.
- e. SECTION 20 in the rule should be restructured as follows:
 - (1) A transaction exemption is available under...document for the security, if the following conditions are satisfied, except to the extent that sub. (2) is applicable:
 - (a) The issuer intends that sales of the security be either of the following:
 1. Registered under ch. 551, Stats.
 2. Exempt from registration....
 - (b) Not later than the date of the initial solicitation...purchaser.

(c) Any published notice or script....

(d) The offeror does not know....

(e) Solicitations of interest pursuant to....

(f) Sales of the securities....

(2) (a) A failure to comply with any of the conditions in sub. (1)....

(b) Where an exemption is established only through reliance on sub. (1)...transaction.

f. In s. SEC 3.001, line 3, “s.” should be “ss.” and in line 5, “subsections (1) to (4)” should be deleted. Subsection (1) should be rewritten as follows:

(1) An offering of equity securities...that meets the requirements in one of the subdivisions in par. (a) and meets the requirements in one of the subdivisions in par. (b):

(a) The issuer’s equity securities of the same class are either of the following:

1. Traded on....

2. Designated for....

(b) The equity securities are the subject of one of the following:

1. A registration statement....

2. An offering statement....

g. On page 23, line 16, “are either” should be “are any of the following.” All of the paragraphs should end with periods rather than “; or.” This latter error should be corrected throughout the rule. [See s. 1.03 (intro.), Manual.]

h. In s. SEC 4.01 (5), page 30, line 3, “s.” should be inserted before the cite.

i. In s. SEC 4.03 (3) (c), the parentheses which occur in two places in the first sentence should be deleted and replaced by commas.

j. On page 38, line 4, “taken” should follow “has.”

4. Adequacy of References to Related Statutes, Rules and Forms

a. Throughout the rule, U.S. Code cites should replace cites to the Securities Act of 1933. If references to the Act are also needed, they could be included in notes.

b. In the second sentence of s. SEC 2.01 (3) (e), line 11, “in this subsection” should be “in this paragraph.”

- c. In s. SEC 2.02 (4) (h), please check to see if the citation to “4(2)” is correct.
- d. In s. SEC 2.02 (5) (d) 2., the two citations to s. 551.23 (19), Stats., should read “par. (c) 1. a. to d. in that subsection” and “par. (c) 2. a.” This comment also applies to s. SEC 2.028 (4).
- e. In s. SEC 4.01 (4) (e), page 29, line 6, “par.” should be “sub.”
- f. Can a Code of Federal Regulations citation be substituted for “Rule 204-2 (a) (12) under Section 204 of the investment advisers act of 1940” in s. SEC 5.03 (1) (n)?